CONSUMERS' MARKET SERVICE
Issued by Consumers' Counsel Division
Agricultural Adjustment Administration, Washington, D.C.

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December generally marks an important turning point in the poultry, egg, and milk supply situation. Poultry marketings reach their high point for the season and then fall off. Milk production hits its low point and starts to move upward. Egg productien also is on the increase. This upward trend in monthly milk supplies ordinarily ends in June, whereas that in egg production generally ends in April. Poultry marketings usually decrease each month through June.

Plentiful supplies of citrus fruits are in prospect for December, which ordinarily is a month of heavy citrus marketings. Supplies of tangerines and Florida oranges in December are usually larger than in any other month of the year. Marked seasonal increases also occur in shipments of grapefruit and California Navel oranges. This year's Florida orange crop is the largest on record and about 6 percent bigger than in 1938. Production of tangerines, grapefruit, and California Navel oranges is about 15 percent smaller than last year, but the current grapefruit crop is the second largest on record, and tangerine production is above average.

First report on fall vegetable production indicates that supplies of snap beans, cucumbers, eggplant, spinach, and kale will be considerably smaller than last year. Marked increases from 1938 levels are expected in tomatoes and celery, and little change is in prospect for cauliflower, green peppers, and carrots. Fall crops of these vegetables comprise only a small part of the annual vegetable supply. Nevertheless, except for celery and carrots, these fall creps are the sole domestic source of supply during December. In the case of celery and carrots, storage stocks from crops harvested in October and early November also are available for marketing. Domestic supplies of cucumbers, eggplant, peppers, tomatoes and green beans in December generally are augmented by imports. Tomatoes are the major import item.

Turkeys are expected to be much more plentiful than they were last December. Many heavy weight turkeys are reported to be available for December marketing. In recent years turkeys have ceased to be a holiday delicacy and have been made available to consumers during a fairly large part of the year. Because of a record crop, relatively large quantities of turkey are expected to be placed in cold storage fer marketing after the first of the year.

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Marketings of spring pigs are fully underway at present and a marked increase in pork supplies is in prospect this month. Pork supplies during the current marketing year (October 1, 1939 to September 30, 1940) are expected to be considerably larger than last season. Ordinarily heaviest hog marketings in the winter season come in December, but this year the peak may not be reached until January. There is some possibility that after the peak is reached, marketings may decrease less than usual through the early spring months. In the spring a second seasonal upswing in marketings generally commences. Because of the relatively large pork supplies in prospect this season, effective December 15, pork will be added to the list of surplus commodities included under the Department's food order stamp plan.

Season for grain-fed lamb generally opens in December and the outlook is that lamb will be more plentiful than a year ago during the five months of the fed-lamb season. Supplies during December ordinarily are smaller than in November.

Outlook for beef supplies during the remainder of 1939 has not changed since last reported in the Market Service. Total supplies of better and average grade beef probably won't differ much from last year. Larger amounts of better grade beef are expected to balance smaller amounts of lower grade beef. Beef supplies in December usually are smaller than in November.

Egg production probably will continue larger than last year during December. Wholesale prices have declined considerably in recent weeks, as supplies increased seasonally. Generally egg prices trend downward from November through April. But prices often advance sharply for a short period of time during December or January, if the weather turns cold enough to curtail production, or to hamper deliveries to markets.

Wholesale food prices in general showed little change in November, and at the end of the month were around 8 percent above pre-war levels. Most food prices have dropped considerably since the war-inspired price flurry in September. Decreases at wholesale have been most noticeable in fresh pork, lard, sugar, and dried beans, items which also advanced sharply in early September. Wholesale flour prices also have dropped since early September but are still around 70 cents a barrel of 196 pounds (12 percent) above their pre-war level.

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Outlook for food supplies available for Christmas and New Year dinners is about the same as at Thanksgiving when bigger supplies of most major items than a year ago were indicated. Largest increases over 1938 supply levels still are expected in turkeys, cranberries, and nuts. Fresh and smoked pork, lard, better grade beef, better grade lamb, poultry, eggs, onions, and celery also probably will be more plentiful than last year. Little change from 1938 supply levels is expected for potatoes, sweet-potatoes, apples, oranges, and canned fruits. However, smaller supplies than a year ago are in prospect for grapefruit, tangerines, lower grade beef, cabbage, butter, canned vegetables, fresh fall and winter vegetables as a group, dried prunes, and raisins.

Two outstanding developments in the food picture during the past two weeks have been a marked increase in the price of wheat and flour and a marked decrease in egg prices. The factors behind the egg picture are entirely domestic, whereas foreign as well as domestic factors are involved in wheat.

One of the major reasons given for the sharp advance in wheat prices, and the accompanying jump in flour prices, has been reports that the domestic winter wheat crop (which will be harvested in July 1940) will be small because of unfavorable growing conditions. Another price-boosting influence has been the report that the crop in Argentina, an important wheat-exporting country, is the second smallest since 1916. No official estimate of the winter wheat crop in this country will be available until December 19, at which time it will be possible to get a better picture of prospective domestic supplies for the season beginning in July 1940. Current wheat supplies are expected to be substantially above domestic requirements in the marketing year ending June 30, 1940. Unless wheat exports are unusually big between December and July, a large carry-over into the 1940-41 marketing year is in prospect. This large carry-over is expected to assure adequate domestic supplies in 1940-41 even if the 1940 wheat crop should turn out to be below domestic requirements.

Wholesale egg prices ordinarily go down at this time of the year but the price decrease of the past month has been unusually large. Prices of better grade eggs have dropped more than prices of average grades, but in both cases the decreases have been more than seasonal. Major factor behind this rapid decrease has been unusually large egg supplies for this time of the year. Egg production on December 1 was

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the highest for this date on record. Large egg production has resulted from an increase in the size of laying flocks coupled with weather favorable for egg production. Because of an increase in the size of laying flocks the outlook is for egg production to continue larger than a year ago during the first half of 1940. Egg prices ordinarily decrease seasonally from November through the spring months, but it is not unusual for prices to advance temporarily in December or January if the weather is cold enough to curtail production or to block deliveries.

Turkeys are expected to be more plentiful than a year ago during the first part of 1940, as well as for Christmas and New Year's. Part of this year's record supply already has been placed in storage for marketing after the first of the year. Cold storage stocks on December 1 were almost 50 percent larger than a year ago and the biggest on record. The outlook is for record size cold storage holdings on January 2, when stocks ordinarily reach their peak.

Apple supplies during the first half of 1940 probably won't differ much from supplies during the first half of this year, and there is some prospect that they may be a little larger. During this period cold storage and common storage warehouses are the source of supply for apple marketings. Storage holdings generally reach their peak on December 1. Cold storage supplies this December are just about the same as they were a year ago. Complete data on the size of common storage holdings are not available, but it appears that they may be slightly larger than last year. Apple prices usually increase seasonally during the first half of the year.

Butter production during the winter months may be nearly as large as last year. During the past few months production has been smaller than last year, but the gap has tended to become smaller. Seasonal high point in butter prices appears to have been reached. Prices usually trend downward during the first half of the year.

"SURPLUS AGRICULTURAL COMMODITIES"

Five products have been added to the list of commodities designated as "surplus agricultural commodities" under the Food Order Stamp Plan because of abundant supplies. Effective December 15, the revised list of "surplus commodities" includes:

BUTTER, EGGS, APPLES, FRESH PEARS, ORANGES, GRAPEFRUIT, RAISINS, DRIED PRUNES, DRY BEANS, RICE, ONIONS (except green onions), WHEAT FLOUR, WHOLE WHEAT (GRAHAM) FLOUR, CORN MEAL, HOMINY GRITS, PORK PRODUCTS (including lard)